(b) NABARD has reported that Primary Agricultural Credit Societies (PACS) are drawing their credit requirements exclusively from DCCBs only and they are not being provided assistance by other agencies.

Indo-German Agreements

3756. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the details of visits of delegations from Germany during the last three months ending 31st July 1994 and areas and identification of ventures to be undertaken with German assistance in the country;

(b) whether modalities for expeditious implementation of projects have been worked out;

(c) whether Government have received assurances from such delegations of large aids, long-term loans and German funds;

(d) what is the total quantum to be given to India by Germany and under what terms and conditions;

(e) whether Government have directed the Indian Embassy in Bonn to resolve the outstanding disputes pending between German companies and Indian entrepreneurs in order to have cohesive bilateral agreements; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY) (a) The German delegation that visited India during the last 3 months ending 31st July, 1994 was one led by German Foreign Minister & Vice Chancellor Mr. Klaus Kinkel. The delegation met the Finance Minister on 28-7-1994 alongwith a high level business and official delegation. During the meeting the Indo-German Financial Cooperation Agreement and the Agreement for Fertilizer Sector Programme III were signed. The issues discussed were bilateral aid and the need for German Investment in India in the field of Energy, Oil exploration, refining coal, renewable energy, environmental technology, telecom and Road modernisation. As the discussions were a policy dialogue between the two countries no specific investment ventures were discussed.

(b) The protocol has been signed only on 28th July, 1994. Details will be worked out in individual project agreements.

(c) and (d) Under an agreement i.e. Financial Protocol for 1994 signed between the two countries during the visit, the Government of FRG will provide financial assistance of DM 460 Million to India. Out of this DM 70 million is out right grant DM 245 million is soft loan with an interest rate of 0.75% p.a. repayable over a period of 40 years including 10 years moratorium. The balance amount of DM 145 million is being provided under a composite financial cooperation loan. This loan will have an interest rate ranging from 2 to 4% depending upon the individual projects and would have a grant element ranging between 25 and 36%.

(e) and (f) Disputes between German companies and Indian entrepreneurs are generally of commercial nature and are basically for the parties concerned to resolve between themselves. However, wherever necessary, Government uses their good offices as possible to facilitate resolution of such differences.

Legislation for Imposing Tax on Agricultural Income

3757. DR. BIPLAB DASGUPTA: Will the Minister of FINANCE be pleased to state whether Government are contemplating the introduction of a legislation that would make it compulsory for the state to pass legislations for imposing tax on agricultural income?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): No, sir.

Pending Cases in Settlement Commission at Bombay

3758. SHRI RAJUBHAI A. PARMAR: Will the Minister of FINANCE be pleased to state:

(a) what are the total number of settlement cases of Gujarat pending with the Settlement Commission at Bombay; and

(b) whether there is any proposal to create Settlement Commission Bench in the State of Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V.

CHANDRASHEKAR MURTHY): (a) There are 229 settlement cases of Gujarat pending with Bombay Bench as on 1.8.94.

(b) No, sir.

Functioning of Allahabad Bank

3759. DR. SHRIKANT RAMCHANDRA JICHKAR: Will the Minister of FINANCE be pleased to state:

(a) the guidelines, care and precaution which the Allahabad Bank while sanctioning and disbursing loans, cash credit limits or LCs to Public Limited Companies;

(b) what is the procedure of varifying the authenticity of the Resolutions of the Board of Directors of companies, by which borrowings are made, securities given, etc.,

(c) whether precaution is taken to see that the Board of Directors of the borrowing Company has the power to borrow by the General meeting of the shareholders by resolution under section 293 (1) (d) of the companies Act;

(d) what is the procedure by which the bank takes precautions to verify the authenticity of the fact that such resolution under section 293 (1) (d) has been actually passed by the borrowing company;

(e) whether the bank inspects the minute books before sanctioning and disbursing loans to borrowing public limited companies;

(f) what are the guidelines of the Reserve Bank of India in this regard; and

(g) what action is taken in case of officers who do not abide by these guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The Allahabad Bank has reported that the appraisal of credit proposals for loans, cash credit limits or L/Cs are broadly based upon the guidelines issued by the Reserve Bank of India (RBI) irrespective of the organisational status of the applicant. As regards public limited companies, due care is taken in respect of relevent provisions of the Companies Act, provisions of other statutes, such as Foreign Exchange Regulation Act (FERA), as well as RBI's guidelines for limited companies, promoter directors state/participation in the project etc.,

(b) For any matter connected with the financing to public limited companies, certified copies of resolution are obtained by the bank. The certification need to be made by the Managing Director/Secreatry/Wholetime Director/Promoter Director or any other Director authorised by the Board for the purpose. In case the bank is doubtful of the authenticity of such resolutions, it takes a certificate to that effect from statutory auditors of the company.

(c) and (d) Allahabad Bank has further reported that since all the relevant provisions of the Companies Act are complied with, it is imperative for the bank of ensure that the Board of Directors of the concerned company has the power as resolved in the General Meeting under section 293 (1) (d) of the Companies Act. For this purpose, certified copy of extract of minutes/resolutions is taken by the bank.

The procedure of verifying the authenticity of the resolution certified to have passed in a General Meeting under section 293(1) (d) is similar to that mentioned in part (b) above.

(e) The Allahabad Bank has reported that the inspections of minute boods are done very rarely as the necessity of such an inspection arise only when a doubt as the authenticity of the resolutions remains even after obtaining a certificate from company's statutory auditors.

(f) The Allahabad Bank has reported that in respect of the above mentioned issues does not have any guidelines.

(g) Any disobedience in respect of noncompliance of any guidelines of the Bank is viewed seriously and suitable action is taken depending upon the circumstances of the case.

I.T. Cases received in Maharashtra and Gujarat

3760. SHRI RAJUBHAI A. PARMAR: Will the Minister of FINANCE be pleased to state:

(a) what are the total number of cases (New assessees) received u / s. 115-K during Financial Year 1992-93 and 1993-94 in the country and particularly in Maharashtra and Gujarat;